



# **FINAL 2007 SALMON RECOVERY GRANT FUNDING REPORT**

December 3, 2007

The Salmon Recovery Funding Board (SRFB) initiated its 2007 grant round in April, and is scheduled to make funding decisions at its December 13, 2007 meeting in Bremerton.

The SRFB seeks comments from the public, lead entities, regional organizations, and their partners on this report in preparation for action in December.

This report is available online at <http://www.rco.wa.gov/srfb/grants/funding.htm>.  
Please mail or e-mail comments on this draft to the following address before **Noon, December 11, 2007**.

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## **ATTACHMENTS**

1. Timeline for Grant Cycle
2. Review Panel Biographies
3. Review Panel Overviews of Regional Processes
4. Review Panel Evaluation of Lead Entity Strategies and Lists
5. Project Evaluation Criteria
6. Projects of Concern Evaluation Forms
7. Lead Entity Ranked List by Region 2007

# **PART I – INTRODUCTION**

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## **INTRODUCTION**

The Legislature created the Salmon Recovery Funding Board (SRFB) in 1999 to provide grants to protect and restore salmon habitat. The SRFB works closely with local watershed groups known as lead entities<sup>1</sup> to identify projects for funding. In its first eight funding cycles, the SRFB has administered more than \$171 million of state and federal funds to help finance more than 730 projects statewide.

This report presents information on the process used to review the 2007 applications, results of the SRFB Review Panel evaluations of strategies and projects, and staff analysis of the results for the SRFB to consider at its December 13, 2007 meeting in Bremerton.

## **BACKGROUND – GETTING TO REGIONAL ALLOCATIONS**

Since its inception, the SRFB has modified its granting process and funding levels to address policy issues. What began as a statewide, competitive approach has evolved to target allocations for regional salmon recovery areas. The allocations acknowledge the new role played by regional salmon recovery plans, which were submitted to the federal government in 2006 and now are being implemented.

The following principles have continued to guide SRFB policy:

- Planning and funding at a regional level is crucial.
- Each of the regional areas in the state exhibits different complexities.
- There is a fundamental role and need for the lead entities.
- Support is needed for work in regional areas that have not prepared recovery plans (coast and northeast), while also acknowledging the work required to prepare a plan.
- Work must continue to support a statewide strategic approach.
- Funds must be used efficiently to address both listed and non-listed species.
- Pre-allocation of available funds would provide benefits of certainty and efficiency for SRFB and its partners.

Further, the SRFB also recognizes:

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<sup>1</sup> Lead entity groups, authorized under Revised Code of Washington Chapter 77.85 are established in a local area by agreement between the county, cities, and tribes. The groups choose a coordinating organization as the lead entity, which creates a citizen-based committee to prioritize projects. Lead entities also have a technical advisory group to evaluate the scientific and technical merits of projects. Consistent with state law and SRFB policies, all projects seeking funding must be reviewed and prioritized by a lead entity to be considered by the SRFB.

- Evolutionarily significant units and distinct population segments are the scale at which recovery of fish listed under the Endangered Species Act will occur.
- A regional approach integrates salmon recovery planning and activities of all participants.
- Regional recovery plans will improve the SRFB's ability to set priorities and judge the cost-effectiveness (at the project level) of actions.
- Regional organizations should provide technical and facilitation support to local efforts and/or link local groups with experts from state, tribal, or federal agencies.
- Regional organizations will provide financial leadership and public outreach to increase public support for recovery efforts.

**SRFB's ALLOCATION DECISION**

In 2006, the SRFB adopted regional allocations developed by its Issues Task Force (ITF). The SRFB recognized that a phased approach was needed and adopted a transitional adjustment that moved toward the funding options recommended by the ITF. The SRFB acted with the understanding that it would revisit the pre-allocation target percentages.

**2006-2007 Regional Allocations**

	Percent of Total
Coast .....	8
Lower Columbia .....	15
Mid-Columbia .....	10
Northeast .....	2
Puget Sound, including Hood Canal .....	45
Snake .....	9
Upper Columbia .....	11

**2007 GRANT ROUND – WHAT WAS CHANGED?**

The basic elements of a regional allocation approach include:

- Reliance on regional salmon recovery plans and lead entity strategies.
- Review of individual projects by the SRFB, only to identify projects of concern.
- Provision of flexibility, recognizing different circumstances across the state.
- Efficiencies by shortening the grant schedule and reducing evaluation steps.
- Streamlined process while transitioning toward more use of regional recovery plans, where such plans are in place or being developed.

The SRFB also committed to continuing the following key principles:

- Salmon recovery funds will be allocated regionally.
- For lead entities not participating in regional salmon recovery planning, the SRFB Review Panel will evaluate the quality of the strategies based on the *Guide to Lead Entity Strategy Development*.
- The SRFB Review Panel will not evaluate the quality of lead entity strategies that are part of recovery plans already submitted to the Governor's Salmon Recovery Office and National Oceanic and Atmospheric Administration – Fisheries.
- The evaluation process will be collaborative. The SRFB Review Panel will work with lead entities and project applicants early to address the project design issues and reduce the likelihood that projects submitted become "projects of concern."
- Each of the regions in the state exhibit different complexities, ranging from varying numbers of watersheds to areas with vastly differing sizes of human populations. These complexities require different approaches to salmon recovery.
- Lead entities will continue to be a crucial and fundamental part of the recovery effort.
- Support continues for areas not included in regional recovery plans (coast and northeast).
- A statewide strategic approach to salmon recovery will continue.
- Funds must be used efficiently to address both listed and non-listed species.

Specific changes or clarifications for the 2007 cycle include:

- Because of the increased reliance on local technical advisory group and citizen advisory group ratings of projects, lead entities only had one opportunity to address specific project issues after the September 17 application deadline.
- An early, two-day Review Panel project review session was added in July to provide lead entities and project sponsors with preliminary feedback from the entire panel.
- Lead entities were only to enter projects in PRISM they wanted the SRFB to consider for funding. They may identify longer lists to show the context of their work.
- Lead entities should have had sufficient projects on their lists to use unspent regional allocations that might result from projects being withdrawn or receiving non-SRFB funding.
- Clearer statements of eligible and ineligible items were provided in Manual 18.

- There was an increased emphasis on the need for timely completion of projects after grant awards. If a project was not ready for funding or the lead entity was unclear about the project's benefits and certainty, the lead entity was to resolve these issues before submitting an application.
- For large restoration projects that do not have an accurate cost estimate or preliminary design work completed, applicants were encouraged to consider seeking funding for the design only.

Lead entities and regions were encouraged to submit project lists to meet their target allocation as closely as possible. The SRFB also recognized that it may be useful for lead entities to have additional projects on their lists in case a portion of a regional allocation is not used because a funded project was withdrawn or received funding from another source. A few additional projects exceeding lead entities' target allocations could be identified and ranked. In addition, post-September scope or other project changes could be made to meet final allocation targets. Any significant changes would need consideration and possible re-ranking by the local committees, and could require additional review by the Review Panel if the changes were significant.

### **PUGET SOUND ACQUISITION AND RESTORATION FUNDS (PSAR)**

The state 2007-09 capital budget included \$40.75 million to accelerate implementation of the Puget Sound Partnership salmon recovery effort. These funds were requested by Governor Chris Gregoire as part of her initiative to protect and restore Puget Sound by 2020. The budget directs the SRFB to distribute these funds in consultation with the new Puget Sound Partnership and Hood Canal lead entities and applicants. At its July meeting, the SRFB adopted Manual 18, which included Appendix A that is specific to application for PSAR funds.

#### **Allocation Method**

PSAR project lists were developed by a distribution formula set by the Puget Sound Salmon Recovery Council. Each watershed/lead entity compiled a PSAR project list for the amount allocated for that watershed/lead entity.

#### **Project Eligibility**

Eligibility requirements for PSAR projects were the same as for SRFB projects, described in Manual 18. PSAR funding was to be largely focused on habitat protection and restoration projects. However, the following exceptions applied:

1. Projects identified through the Puget Sound salmon recovery plans as the highest priority projects, even if they do not meet SRFB eligibility requirements, will be eligible for PSAR funding. All projects will be reviewed by the SRFB Review Panel (complemented by information from the Puget Sound Technical Recovery Team and other experts if needed), and evaluated to the extent possible using the SRFB benefit and certainty criteria (Attachment 5) used for SRFB projects.

2. Assessments or research projects, including those intended to fill data gaps identified in recovery plans or lead entity strategies were eligible; however, the emphasis was to apply PSAR funds to habitat restoration and protection projects.
3. Phased design and construction projects.

(For a description of PSAR funds please see Manual 18, Appendix A.)

### **Design-only Projects**

This new category, designed to accelerate projects funded under PSAR, had no match requirement. Eleven design only projects were presented to the SRFB during its September 27 meeting and were pre-approved, pending evaluation by the Review Panel. On October 26, the Review Panel concluded that five of the projects met the minimum criteria and needed no further refinement (See Table 1). The remaining six projects were routed through the standard process for funding consideration in December.

**Table 1: Design-Only Projects Approved for Funding**

Project Number	Sponsor	Project Name	PSAR Request
07-1729N	Kitsap County	Chico Estuary Restoration	\$125,000
07-1838N	Lower Elwha Klallam Tribe	Physht Estuary Engineering	\$380,000
07-1817N	North Olympic Salmon Coalition	Morse Creek Riverine Restoration Design	\$200,000
07-1808N	Skagit River System Cooperative	Turner Bay Road Removal Design and Permit	\$89,892
07-1819N	South Puget Sound Salmon Enhancement Group	Beachcrest Estuary Improvement	\$38,205